

349.005 Legislative findings, purpose, and public policy.

- (1) The General Assembly hereby declares:
 - (a) The venting of coalbed methane and degasification of coal seams is approved by the Commonwealth for the purpose of ensuring the safe recovery of coal;
 - (b) The positive economic impact of coal mining to the Commonwealth is currently greater than that of coalbed methane production;
 - (c) Coalbed methane is not found in conventional gas reservoirs;
 - (d) Any development of coalbed methane should be undertaken in a way to protect and preserve the environment and protect and preserve the coal for future safe mining and the maximum recovery of coal;
 - (e) Commercial recovery and marketing of coalbed methane should be facilitated whenever appropriate to meet the energy needs of both the Commonwealth and the United States;
 - (f) The extraction of methane from mineable coal enhances mine safety, promotes environmental goals and objectives, and conserves an important energy resource; and
 - (g) The Energy Policy Act of 1992 was enacted, in part, to encourage coalbed methane development and the Commonwealth should enact legislation to carry out the purpose of that act.
- (2) Therefore, in order to encourage and ensure the fullest practical safe recovery of both coal and coalbed methane, consistent with the above declarations and findings, this chapter is established to:
 - (a) Authorize coalbed methane well permits;
 - (b) Regulate the design of coalbed methane wells and recovery techniques;
 - (c) Authorize coalbed methane well drilling units and pooling interests therein;
 - (d) Establish field rules; and
 - (e) Provide a process to enable coalbed methane well operators and coalbed methane owners to proceed with the orderly development and production of coalbed methane pending the judicial resolution of issues relating to coalbed methane ownership.
- (3) Notwithstanding subsections (1) and (2) of this section, the General Assembly expressly finds that establishing an orderly process to permit and produce coalbed methane shall in no way be construed to create an inference or presumption as to the ownership of coalbed methane in any judicial or administrative proceeding, or be construed to or be used or interpreted to apply to any well otherwise permitted, approved, or regulated under KRS Chapter 353, except for any wells that are to be permitted, converted to, or operated as coalbed methane wells.
- (4) It is hereby declared to be the public policy of this Commonwealth and in the public interest to:
 - (a) Safeguard, preserve, and protect coal seams for safe mining; facilitate the expeditious, safe evacuation of coalbed methane from the coalbeds of this

state; and maintain the ability and right of coal operators at all times to vent coalbed methane from mine areas for the safe recovery of coal;

- (b) Foster, encourage, and promote the commercial development of the Commonwealth's coalbed methane by establishing procedures for issuing permits and forming drilling units for coalbed methane wells without adversely affecting the safety of mining or the mineability of coal seams;
- (c) Safeguard, protect, and enforce the correlative rights of coalbed methane operators and coalbed methane owners in a pool of coalbed methane so that each operator and owner may obtain his or her just and equitable share of production from coalbed methane;
- (d) Create a state permitting procedure and authority to provide for and facilitate coalbed methane development as encouraged by the Energy Policy Act of 1992; and
- (e) Seek the deletion of the Commonwealth of Kentucky from the list of affected states by the Secretary of the United States Department of Interior as provided for in the Energy Policy Act of 1992.

Effective: July 13, 2004

History: Created 2004 Ky. Acts ch. 65, sec. 1, effective July 13, 2004.